

Memorandum

Re: Work Plan Memo for the Washington Climate Advisory Team

Date: May 8, 2007

Establishing the Washington Climate Advisory Team

On February 7, 2007, Washington Governor Christine Gregoire announced the Washington Climate Change Challenge through Executive Order 07-02. This order sets statewide goals for greenhouse gas (GHG) reductions, clean energy jobs, and fuel import reductions to be achieved through the Climate Challenge. In addition, it specifies other objectives that include: preparation for climate change and water supply impacts, regional and national leadership toward GHG policies in coordination with British Columbia, GHG reductions by the state as an entity, and public outreach and awareness. The Executive Order charges the Directors of the Washington Departments of Ecology (ECY) and Community, Trade and Economic Development (CTED), working with other agencies, to confer with a broad range of stakeholders to develop actions to achieve the goals of the Executive Order.

ECY/CTED has formed the Washington Climate Advisory Team (CAT) to assist with the development of specific action-oriented recommendations for climate change mitigation policies and plans for the state of Washington. This broad-based group of Washington leaders will be charged with developing a comprehensive set of state-level policy recommendations for ECY/CTED to use with the Governor, using a stakeholder-based consensus building process built on successful processes that preceded it in the Puget Sound region and in other leadership states.

Goals of the CAT Process and Supporting Work Plan

This work-planning memo is designed to help the CAT process achieve the following goals:

- 1) Review and approve a comprehensive inventory and forecast of GHG emissions in Washington from 1990 to 2020;
- 2) Review and assess the significant policy actions taken in 2005 and 2006 to reduce GHG emissions, such as those laid out in the Executive Order, and their impact on reaching the 2020 goal. Develop recommendations to help ensure the full implementation of these policies;
- 3) Develop recommendations for a comprehensive set of policies and strategies that can fully achieve the State's GHG emission, clean energy employment, and fuel import expenditure goals for 2020, including identifying early actions for the 2008 legislative session;
- 4) As appropriate, assist in the active involvement by the state of Washington in the development of regional and national climate policies and coordination with British Columbia and other multi-state and national policy processes, including the recent Western Climate Action Initiative;

- 5) Recommend how the state of Washington as an entity can reduce its generation of GHG emissions;
- 6) Work with the state of Washington's local governments to maximize coordination and effectiveness of local and state climate initiatives;
- 7) Inform the general public of the process, solicit comments and involvement, and develop recommendations for current and future public education and outreach; and
- 8) To the extent adaptation strategies overlap with mitigation actions, advise on the specific steps the state of Washington should take to prepare for the impact of global warming, including public impacts to public health, agriculture, the coastline, forestry, and infrastructure and assess what further steps the state of Washington should take to be prepared for the impact of global warming on water supply and management.

Final Report

The ECY/CTED report is due to the Governor by February 7, 2008. However the CAT process will be designed to be complete by the end of the 2007 calendar year. The final report will compile and summarize recommended policy options of the CAT based on the outcome of final votes on individual recommendations. The contents of the final report are drafted through the process of joint fact-finding and joint policy development by the CAT, assisted by the Center for Climate Strategies (CCS) and Ross & Associates Environmental Consulting (Ross) (jointly CCS/Ross) with extensive input from and review by CAT members. Interim report materials may be developed as needed during the process. The final report will be issued at the completion of the process and cover the following areas:

- a. Executive Summary
- b. Purpose and Goals
- c. History and Status of State and Regional Actions
- d. Inventory and Forecast of Washington GHG Emissions
- e. Potential Impacts of Climate Change on Washington
- f. Recommended Individual Climate Change Mitigation Actions by Sector:
 - a. Transportation
 - b. Residential, Commercial, and Industrial
 - c. Energy Supply
 - d. Agriculture
 - e. Forestry
 - f. Cross Cutting Issues such as Public Education
- g. Technical Appendices

Adaptation/Preparation

Climate adaptation is a primary planning objective in the Executive Order. ECY/CTED are managing a parallel process of Preparation/Adaptation Working Groups that will develop recommendations for actions to address the impacts of climate change. The agencies will incorporate information from the Preparation/Adaptation Working Group process with findings from the CAT in the final report that is provided to the Governor.

Timing and Milestones

The first meeting of the CAT will be held on March 30, 2007, with four additional in person, full-day meetings to be held regularly during the next nine months. (Additional telephonic meetings may be scheduled if the need arises.) The Technical Working Groups (TWG) will hold regular meetings in between each of the CAT meetings and report recommended actions and results to the CAT sequentially throughout the process to support stepwise decisions and incremental consensus building.

The following draft schedule is suggested for planning purposes:

Draft CAT Schedule

Date	Meeting
March 30, 2007	1 st CAT meeting
June 2007	2 nd CAT meeting
August 2007	3 rd CAT meeting
October 2007	4 th CAT meeting
December 2007	5 th CAT meeting
January 2008	Final CAT Report
Between CAT Meetings	TWG meetings

Design of the Process

The CAT process will generally follow the policy development processes used successfully in several current and recently completed state-level climate action planning initiatives. This planning process combines techniques of alternative dispute resolution, community collaborative decision-making, and corporate strategic planning in a combined form of facilitation and technical analysis known as “evaluative facilitation.” This consensus building model supports informed and collaborative self-determination by a broadly representative group of designated stakeholders and technical experts.

Activities of the CAT will be transparent, inclusive, stepwise, fact-based, and consensus driven (see key principles and guidelines of the process listed below). The CAT process will seek but not mandate consensus on individual policy option recommendations and will use formal voting to determine the level of support for individual options.

To facilitate learning, collaboration, and task completion by the CAT members, the CAT will be provided a series of discussion and decision templates and related models for each step in the process by CCS/Ross, including:

- Assistance to ECY/CTED with development of information for the ECY/CTED climate change website (<http://www.ecy.wa.gov/climatechange>) and the capacity to add interactive capabilities and other features for participants;
- Standard meeting documents, including: agenda and notice, discussion PowerPoint, meeting summary, and reference document formatted for each of the CAT and TWG meetings with project banner and or logo that matches the website;
- A draft final report, PowerPoint presentation, and series of open spreadsheets for review and potential future revision of the Washington GHG emissions inventory and forecast;
- An initial master catalog of state GHG reduction actions with lay descriptions for each option, suggested ranking criteria, draft rank of potential for GHG reductions and costs or cost savings of each action, and indication of major recent actions already adopted in Washington;
- An assessment of the emissions savings and other impacts of actions already adopted in Washington state, benefiting from preliminary analysis by CTED;
- Inventory and projections documents and spreadsheets, linked to the ongoing work by ECY/CTED;
- A balloting form for identification of initial priorities for analysis for each of the TWG areas;
- A draft policy option template for the drafting and analysis of individual recommendations;
- A principles and guidelines document for quantification of policy options in each of the TWGs;
- Analysis materials, including documentation of key data sources, assumptions, models, and methods, and printouts of worksheets as needed;
- A final report format with summary chapters and technical appendices.

The CAT Process

The CAT process will include the following key principles and guidelines:

- The process is fully transparent. All materials considered by the CAT and TWGs are posted to the project website, and all meetings are open to the public. For TWG meetings, which will be conducted telephonically, ECY/CTED will arrange for a physical location(s) with a telephone and a telephone monitor so that the public can listen. The quantification of all potential policy options is transparent with respect to the data sources, methods, key assumptions, and uncertainties. In addition, policy design parameters and implementation methods for recommended actions are fully transparent, including goal levels, timing, coverage of parties, and implementation mechanisms. The transparency of technical analysis, policy design, and participant viewpoints is critical to the identification and resolution of potential conflicts.
- The process is inclusive. A diverse group of CAT and TWG members are chosen by ECY/CTED to represent a broad spectrum of interests and expertise in Washington. A ground rule for participation is to be supportive of the goals of the CAT and the process described here, but members are free to disagree on specific decisions within the process. The public will be afforded the opportunity to provide meaningful review of and comment upon pending CAT decisions.
- The process is stepwise. Each step of the sequential process builds incrementally on the former toward a final solution. Sufficient time, information, and interaction are provided between steps to ensure comfort with decisions and quality of results. Participants are responsible for staying current with information developed by and decisions of the process.
- The process will seek but not mandate consensus. Votes will be taken at each of the major milestones in the process in order to advance to next steps. Decisions are requested on individual policy options. Alternatives that address barriers to consensus will be developed by the CAT with the assistance of CCS/Ross, as needed. Voting is conducted by simple request for objection at the point of decision (by hand), followed by resolution of conflicts through discussion and development of alternatives, as needed, in order to proceed. Final votes by the CAT include support at three levels, including: Unanimous consent (no objection), Super majority (four objections or less), and Majority (less than half object). (Typically the early stages of the process proceed with unanimous consent, and supermajority, if needed. Final recommendations may include recommendations at all three levels. Typically most, if not all, final recommendations enjoy unanimous consent.) The final report will document the level of support for individual CAT recommended options, including alternative views as needed.
- The process is comprehensive. The CAT will explore solutions in all sectors and across all potential implementation methods, including a variety of voluntary and mandatory implementation mechanisms. Recommendations may include state-level and multi-state actions (regional and national). Mitigation of all GHGs will be examined. Units will be expressed in million metric tons carbon dioxide equivalent (MMTCO_{2e}). Similarly, all forms of energy supply and use and

- economic development are open for consideration as they relate to GHG mitigation actions. Significant actions taken by the executive or legislative branches during the process (as well as those taken in 2005 and 2006) will be included in a reference case forecast of emissions. The process will review actions that are currently believed to have the potential to attain 60 percent of the Executive Order goals, suggest revisions to the list and design of these options as needed, and recommend new options needed to attain the Executive Order goals.
- The process is guided by clear decision criteria for the selection and design of recommended actions. These include consideration of: (1) GHG reduction potential; (2) cost or cost savings per ton GHG removed; (3) co-benefits, including Executive Order job creation and fuel use reductions, as well as other economic, environmental, and energy policy improvements; and (4) feasibility issues (technical, economic, political, institutional).
 - The process is quantitative. Results of CAT decisions will include explicit descriptions of policy design parameters and results of economic analysis. Recommendations can include both quantified and non-quantified actions, with emphasis on quantification of GHG reduction potential and cost or cost savings for as many recommendations as possible. Additional quantification needs related to co-benefits or feasibility issues will be evaluated on a case-by-case basis pending CAT input and available resources. Job creation and energy savings will be included as needed to meet the requirements of the Executive Order.
 - The process covers short-, medium-, and long-term periods of action. The time period of analysis for emissions inventories and reference case projections will be 1990-2020. Emissions reductions options, job creation and fuel use reduction will cover the present to 2020, with supplemental analysis as possible for GHG reductions in 2035 and 2050.
 - This process is implementation oriented. The goal of the process is ultimate adoption of specific policies by the state of Washington based on planning recommendations of the CAT and subsequent, more detailed analyses as needed. Accordingly, recommendations of the CAT are intended to support immediate policy adoption, but will not consist of the highly detailed issues related to programmatic implementation, rulemaking, institutional design, and feasibility.

The TWG Process

The TWG process is fully integrated with the CAT and will include the following key principles and guidelines: Technical Working Groups (TWGs) are comprised of members of the CAT and/or their staff, as well as additional technical members appointed by ECY/CTED, and serve in an advisory role to the CAT. The TWGs will be structured around the following sectors: Transportation; Energy Supply; Residential, Commercial and Industrial; Agriculture; and Forestry.

The TWGs will perform the following tasks in assistance to the CAT:

- Review the catalog of existing, planned and potential state actions and suggest additional state actions for CAT consideration;

- Suggest a list of initial priorities for analysis of policy actions for CAT consideration through a balloting process;
- Develop and suggest initial “straw proposals” for the design of individual policy actions (with CCS assistance), including goals, timing and coverage of parties for CAT consideration;
- Review proposals for the analysis of individual policy actions, including data sources, methods and key assumptions for CAT consideration;
- Assist with the identification and development of data and assumptions to assist CCS with analysis of individual policy actions for CAT consideration, as needed;
- Respond to requests by the CAT for the development of alternative design scenarios or analyses to address potential barriers to consensus;
- Review draft final text for policy actions and final report language with suggested changes as needed for consideration by the CAT.

CCS/Ross will provide a facilitation and technical analysis team to assist the TWGs and coordinate CAT and TWG activities. ECY/CTED will fully coordinate any technical staff involvement with the CCS/Ross team to ensure consistency and alignment on technical issues. As with the CAT, the TWGs will not debate the science of climate change or the goals, but will instead focus on identifying specific actions, design and analyses for CAT consideration that allow Washington to achieve the goals of the Executive Order.

Key Steps and Milestones

The objectives and agendas for each of the CAT and TWG meetings are listed below, with notes regarding each of decisions of the CAT.

MEETING ONE – March 30, 2007

- Objectives:
 - Introduction to the process, presentation of preliminary fact finding (inventory and forecast of emissions, existing state actions, catalog of potential new state actions, vulnerability and impacts), formation of TWGs (CAT members should be prepared to select one or more TWGs for participation).
- Agenda:
 - Purpose of and Charge to the Climate Change Advisory Team
 - How to proceed to fulfill the CAT’s Charge
 - Review of the CAT Step-Wise approach
 - Relationship between the CAT and Technical Working Groups
 - Current “State of Play” of climate change in Washington
 - Review of the draft Washington Emissions Inventory and Forecast and introduction to the Catalog of Climate Emission Reduction Actions

- Next Steps for the CAT and TWGs, including schedule and logistics for next CAT meeting
- Public Comments

Interim TWG meetings will cover: (1) review and suggested revisions to the draft inventory and reference case projections, and (2) review and suggested additions to the catalog of policy options.

MEETING TWO – June, 2007

- Objectives:
 - Addition of potential actions to the draft catalog of state actions (by vote if/as needed).
 - Review of the existing state policies and their contribution to the state's 2020 goal.
 - Identification of potential revisions to the draft emissions inventory and forecast (by vote if/as needed).
- Agenda:
 - Further review and recommend updates to inventories and baseline forecasts
 - Review and revision of the catalog of potential climate mitigation actions
 - Discussion of the process for identifying initial priorities for TWG analysis
 - Discussion of process for developing straw policy design proposals
 - Update on working groups

Interim TWG meetings will cover: (1) suggested revisions to the emissions inventory and reference case projections and (2) early ranking of options in the catalog and straw voting for initial "priority for analysis" options; (3) development of straw proposals for design parameters for selected options.

MEETING THREE – August, 2007

- Objectives:
 - Review and approval of priorities for analysis of TWG identified policy options, and selected straw proposals for policy design (by vote if/as needed).
 - Review and approval of revisions to the emissions inventory and forecast (by vote if/as needed).
 - Preparation for quantification phase of the process (briefing and discussion).

- Agenda:
 - Final agreement on inventories and baseline forecasts (preferable)
 - Approval of TWG lists of initial policy priorities for analysis
 - Review and approval of first set of straw proposals for policy design
 - Briefing on quantification methods
 - Discussion of quantification principles and guidelines, and key assumptions for TWG analysis of policy options
 - Updates on working groups

Interim TWG meetings will cover: (1) development of straw proposals for design parameters for remaining (second set) options; and (2) review of proposed quantification procedures for (first set) options, including proposed data sources, methods, assumptions; (3) review of first round of quantification results, identification of needs for revision as needed; and (4) identification of early consensus options for recommendation for CAT approval.

MEETING FOUR – October, 2007

- Objectives:
 - Approval of additional TWG suggested straw proposals for policy design (goals, timing, coverage of parties) (by vote if/as needed).
 - Review and approval of early consensus (unanimous consent) policy recommendations and any additions to the list of priorities for analysis policy options if/as needed (by vote if/as needed).
 - Identification of potential early formulation of budget and/or legislative recommendations and placeholder bills for the 2008 session (by ECY/CTED).
 - Identification of specific barriers to consensus and potential alternatives for not yet approved policy options (discussion) to be considered further by TWGs.
- Agenda:
 - Discussion and approval of additions, deletions, and modifications of priority for analysis options
 - Review and approval of second set of straw proposals for policy design
 - Review of the analysis results for individual (first set) options
 - Identification of early consensus options
 - Identification of barriers and alternatives for remaining options, with guidance for additional work on options to TWG's
 - Updates on working groups
 - Review of final report progress and plans

Interim TWG meetings will cover: (1) review of proposed quantification procedures for (second round) options; (2) review of further rounds of quantification results, identification of needs for revision as needed; (3) final revisions to alternative policy option design parameters, quantification approaches, and/or implementation mechanisms; and (4) final analysis of options and alternative approaches.

MEETING FIVE – December, 2007

- Objectives:
 - Review and approval of final policy recommendations (by vote).
 - Identification of final legislative action recommendations and bill drafting needs (by ECY/CTED).
 - Review of procedures for review and input to the final report.
- Agenda:
 - Progress report on updates and alternatives for draft policy options not yet approved as final recommendations from the last CAT meeting
 - Review and approval of final recommendations, including final votes
 - Summary of the process, review of next steps for review, and transmittal of the final report

FINAL REPORT

- Draft report language by CCS/Ross to the CAT, with opportunity for public review
- CAT review and inputs to CCS/Ross
- Final draft report language to the CAT
- Final CAT call to discuss suggested changes to the final report
- Final report transmitted to ECY/CTED

Participant Roles and Responsibilities

Climate Advisory Team

CAT members are appointed by ECY/CTED to respond to the tasks, goals and timelines of the process. The CAT makes final nonbinding recommendations for specific recommended climate policy actions, and approves a final Washington GHG emissions inventory and forecast. CAT members will operate as equals during the process. The CAT will operate under the facilitation and with the technical support of CCS/Ross. ECY and CTED will co-chair the CAT. CAT members also serve as members of TWGs (below) to ensure seamless integration of the process.

Technical Work Groups

TWG members will be comprised both of CAT members assigned to specific sector-based by ECY/CTED and others to ensure adequate expertise and political representation. The TWGs will be sized to ensure a workable process. The TWGs will operate under the facilitation and with the technical support of CCS/Ross. TWG members will operate as equals during the process. The TWGs will provide advisory guidance to CAT members on decisions related to milestones in the stepwise process. TWGs also will provide assistance to CCS/Ross in the identification, design, and quantification of policy recommendations. Sector based TWGs include:

- a. Transportation (including vehicle efficiency, alternative fuels and demand reduction programs);
- b. Residential, Commercial, and Industrial (energy efficiency and conservation, industrial process, “customer side” of the meter);
- c. Energy Supply (heat and power generation, electrical generation, transmission,);
- d. Agriculture (biofuels, waste reduction, recycling and energy recovery, solid waste management);
- e. Forestry (forest restoration, sustainable forest management, wood energy and sequestration);

In addition, cross cutting issues (public education, etc.) may be addressed by the CAT through issue-specific subgroups appointed by the Co-Chairs or their lead staff, as needed.

The Public

CAT meetings will be open to the public and the public will be provided the opportunity to review CAT materials and pending decisions and give input to the CAT.

Participant Ground Rules

CAT and TWG members are expected to follow a certain code of conduct during the process, including:

- Participants are expected to support the process and its concept fully and in good faith directly collaborate toward the goals of the CAT and TWGs.
- Participants are expected to all attend meetings and notify ECY/CTED of any potential conflicts or need for alternates.
- Participants are expected to act as equals during the process to ensure that all members have equal footing during deliberations and decisions.
- Participants must stay current with information provided to the group and the decisions of the group.
- Participants are asked not to reconsider decisions already made in the stepwise process. Once the CAT reaches a milestone by vote, it moves to the next step.

- Participants represent only themselves when making CAT decisions and/or speaking about the process with the media or in other public settings.
- Participants should refrain from personal criticisms and provide objective, fact-based comments and alternatives during CAT and TWG discussions.

Key Staff

State Staff

- **Janice Adair**, Department of Ecology
- **Tony Usibelli**, Community Trade and Economic Development

Consultant Project Team

- **Bill Ross**, Ross and Associates – Lead Facilitator
- **Tom Peterson**, CCS – Facilitation Support
- **Michael Lazarus**, CCS – Lead Technical Facilitator
- **Ken Colburn**, CCS – Facilitation Support